

EMAKHAZENI LOCAL MUNICIPALITY

ANNUAL REPORT



2008/2009

"Vision"

A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society

"Mission"

Emakhazeni Local Municipality is a category B municipality and a tourist destination within the Nkangala District, existing to provide sustainable basic municipal services to the local community and the visitors, creating a conducive environment for socio-economic development, and promoting democracy, accountability and public participation in our affairs.

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1.1 EXECUTIVE MAYOR'S FOREWORD

The year 2008/2009 has been a turning point as far as service delivery is concerned in our Municipality. It is in this year that we thoroughly defined service delivery, taking into consideration what we have done since 2006, what we were currently doing and what our community expected the Municipality to do, and agreed with Fox and Meyer's (1995: 115) definition of service delivery which is:

"The provision of public activities, benefits or satisfactions. Services relate to both tangible public goods and to intangible services themselves."

Further, the objects of local government in section 152 of the Constitution compels us to provide services to communities in a sustainable manner and also to, amongst others, promote social and economic development; a safe and healthy environment; and to encourage the involvement of communities and community organizations in matters of local government. Throughout the financial year, the Municipality has been able to provide portable water, proper sanitation, and refuse removal services to the communities in a sustainable manner. These services are, according to our definition, services that are necessary to ensure an acceptable and reasonable quality of life and, if not provided, would endanger public health or safety or the environment.

We must indicate though that due to the aging infrastructure networks, we had cases of sewer spillages and water outages in some parts within the Municipality. We got assistance from the DBSA and DWAF in this regard, especially on the engineering side. The situation was turned around to the satisfaction of the residents. It is in this financial year that we saw the Nkangala District Municipality approving the project called the West Street pump station which was the main cause of the sewer spillages in Belfast in particular, due to age and its capacity to service a growing community. Still on infrastructure, a water reservoir was built to replace an aging one, ensuring that all residents have water at all times. We must indicate though that our work was made more difficult by the sector departments and National departments that do not honour their commitments. The municipality had to rescue a number of MIG funded projects on basic services due to the delay by DWAF in the province, to attend the technical reports

submitted by the municipality on time for approval. This has hit hard on our operational budget as the municipality had to maintain its integrity and continue to implement these basic services projects. Due to the lack of sense of urgency by some of these departments when dealing with issues of basic services, the amount of R4, 7million MIG allocation, had to be withheld by the Department of Local Government. This we must stress that it was not due to our incapacity to spend but due to the lack of interest by the DWAF (Mpumalanga) officials, in dealing with sensitive matters of service delivery.

In order to ensure that the farm community also benefit from the Municipality's transformation plan, a survey on farms was done internally. All Councilors and Senior Managers of the Municipality embarked on a door to door campaign on farm, checking whether our people have access to clean water and proper sanitation, and most importantly, that they live in a suitable environment. Our findings indicated that more is still to be done. Some farm dwellers still share sources of water with livestock and wild animals. In other places, some farm owners do not allow the farm dwellers to access clean water, therefore the municipality should transport water to these communities on agreed to intervals. A consolidated report was compiled on these findings and funds to drill extra boreholes on farms were approved by the EXCO, (by the Premier) in December 2008. This plan would have extended on the project of drilling boreholes that the Municipality had already started using its funds. It is unfortunate that the lack of understanding of basic service delivery issues led to the non approval of the roll out of the implementation plan by the department of local government. Since an allocation of R6 million rand was made for the three financial years, that is 2008/2009; 2009/2010 to 2010/2011, the non approval of the plan saw the allocated amounts being used for other matter that were not service delivery related by the department, without communicating this to the municipality. The water backlogs on farm areas are still a priority issue that must be dealt with if we want our people to benefit from the government programmes of service delivery.

As our definition of service delivery includes the provision of intangible goods to the public, the municipality was able to build a relationship of trust between the farm owners, the ratepayers and the community at large on the implementation of the Property Rates Act. A number of stakeholders meetings were held and at the end, an advisory committee to the Executive Mayor, comprising of farm owners, was established and its terms of reference adopted by Council. Such a working relationship ensures that participatory democracy does not remain a theory in our municipality.

The Municipality was in the year in question affected by the results of recession on our economy. A number of residents lost their jobs and lost their means to an income. This affected the municipality in a manner that those who lost their income could no longer afford to pay for municipal services. The municipality on the other hand, had to ensure that services are provided to all the residents. It is for this reason that Council commissioned a micro economic research on Emakhazeni so as to have a clear picture of the effects of the recession. A study was conducted in relation to the MFMA Circular No. 48 and It revealed that our community members are struggling to pay for the services. To support this internal study, the report from SASSA indicates that the majority of residents of Emakhazeni depends one way or another, on government social grants. The study is not conclusive at this stage as it was adopted by Council as work in progress.

The municipality has continued to deliver on the popular mandate of the 2006 manifesto, that of capacity building. A number of both Councilors and municipal officials have attended courses ranging from Executive Leadership programme to Integrated Development Planning and Local Economic Development. These courses have assisted them to understand local government environment better for sustainable governance. Further, we took it amongst ourselves to ensure that all the performance monitoring structures sit as per the schedules and play their oversight role at all times. The Service Delivery and Budget Implementation Plans are monitored and revised properly.

We have further ensured that our relationship with private business remains sound. The rehabilitation of the streets in Machadodorp by Assmang Chrome is an indication that our social partners understand that a better life can not only be brought about by government. They have also established a brick making plant so as to employ the youth and give them skills in brick making. The very same company established a hot water geyser project that benefitted the youth of Emthonjeni.

It is important to note that more still needs to be done on the roads of our municipality. The unique weather has caused the roads to be sensitive to heavy traffic due to the nature of soil on which they are built. Our area is dominated by wetlands. In order to preserve such areas, the municipality has partnered with Department of Environmental Affairs and Tourism and the Mpumalanga Department of Agriculture in compiling an Environmental Management Framework, aimed at guiding development in the local area and preserving sensitive areas. Housing is still a challenge as more people are in need of houses in our area. The slow pace of

building houses and the backlogs dating as far back as 2005, has taken a toll on our community. They have demanded these houses and ended up protesting. In Emthonjeni the project has been unblocked and the MEC for Human Settlement agreed to build all the remaining houses by June 2010. The contractor is on site and progress has been made.

We must indicate that we lost up to eight municipal workers which also posed a challenge to the provision of service delivery. Even though we experienced such we are still determined to succeed in our course to provide basic municipal services in a sustainable manner.

"Kumnyama Kubomvu Siyanqoba"

Clr. Linkie Mohlala

Executive Mayor

10 December 2009

1.2 Overview of the Municipality

The Emakhazeni Local Municipality is situated in Mpumalanga Province, within the jurisdiction of the Nkangala District Municipality (NDM) as depicted in **Figure 2** below. The Emakhazeni Municipality is one of six local Municipalities in the Nkangala DM and is situated in the east of the Nkangala District. It forms part of the central area of Mpumalanga Province, with Nelspruit and the Kruger National part situated further to the East.

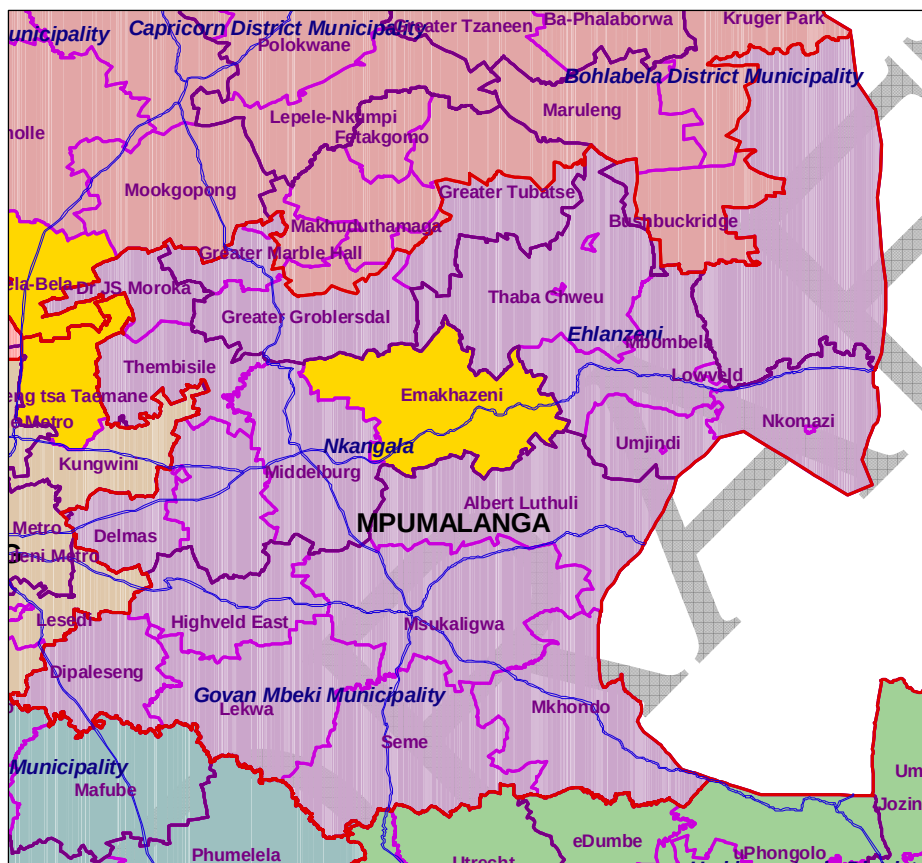


Figure1: Locality Map of Emakhazeni Local Municipality

The Greater Groblersdal and Thaba-Chweu Local Municipalities, which form part of the Limpopo Province and Ehlanzeni District Municipality respectively, border the ELM to the North. It is bordered to the West by the Steve Tshwete municipality (also part of Nkangala DM) and to the South by Albert Luthuli Local Municipality in the Gert Sibande District. It is bordered to the East by the Mbombela Municipality in Ehlanzeni District.

The Emakhazeni Municipality is strategically located in the provincial context, as it is located between the Pretoria/Johannesburg complex in Gauteng and Nelspruit in Mpumalanga. It is furthermore situated on the N4 Maputo Corridor, the main link between Gauteng Province, Mpumalanga Province and Mozambique. Road P81-1 (R540) which runs in a northern direction from the N4 Freeway through Belfast (Emakhazeni) and Dullstroom provides an important link to and other centres in the Lowveld, particularly Hoedspruit, Mashishing Pilgrim's Rest and Graskop. There are railway lines originating in Gauteng which stretch through this area and provide linkages with the Maputo and Richards Bay harbours respectively.

Emakhazeni is situated between the two major towns in Mpumalanga Province, namely Middelburg and Nelspruit and is connected to both these centres via the N4 Freeway. The N4 and Road P81-1 provide links from Gauteng to the major tourism centres in Mpumalanga, specifically the Kruger National Park to the east and Pilgrim's Rest, Graskop, Lydenburg and Hoedspruit to the northeast. In the same vein, it must be mentioned that the ELM is a tourist destination in its own right. Emakhazeni can therefore be called the gateway to the major tourism attraction points in Mpumalanga and the eastern parts of Limpopo Province.

According to Statistics South Africa (Stats. SA) of 2001, the total population of the ELM amounts to 43 007 persons, which amounts to 4.2 % of the total Nkangala District Municipality's population (1 020 589 persons) and 1.3% of Mpumalanga's population (3 122 988 persons). However, the 2007 updates by the population division of the Social Services department indicate that our population was standing at 59 000. These population estimates were confirmed in the WSDP study commissioned by DWAF. The following table is an extract from the WSDP.

Table 1: Population/ Household Figures

	Total population	No. of household consumer units
Urban	43 667	7 586
Dense	2 947	673
Village	1 164	265
Scattered	60	14
Farmland	11 460	2 618
Total	59 298	11 156

Considering the large area occupied by the Emakhazeni Municipality, (52 730 hectares), the area is sparsely populated with low population density of 1 person per 0.8 hectare.

The remainder of the ELM consists mainly of farms and rural areas, with smaller rural settlements occurring throughout the area. The area is becoming increasingly popular as a tourist destination, with Dullstroom being the main attraction.

1.3 Executive Summary

INTRODUCTION

The Emakhazeni Local Municipality Council has during March 2008 reviewed its Integrated Development Plan to guide its services delivery operations in the 2008/09 financial. The municipal Council confirmed its strategic vision to be as follows:

"A secure environment with sustainable development to promote service excellence, unity and community participation resulting in a caring society."

The Council then reconfirmed key performance areas (KPA's) which were to assist implements its vision.

These five KPA's are as follows:

1. Service delivery and Infrastructure Development.
2. Local Economic Development
3. Municipal Financial Viability
4. Institutional transformation
5. Good governance and public participation

KPA 1. SERVICE DELIVERY AND INFRA-STRUCTURE DEVELOPMENT

Emakhazeni Local Municipality started the 2008/09 financial with inter alia one major objective in mind, which is to ensure that all households within the municipality have access to water by June 2009.

In this regard an amount of R 3,5 Million was set aside from the municipal Infra-Structure Grant (MIG) to fund the installation of boreholes and windmills in the rural areas of the Municipality.

Since the release of draw downs from the MIG office depend on the Department of Water Affairs to approve technical reports that relate to water projects, the municipality found itself in a rather difficult financial position because DWAF could not approve most of its water related technical reports and as a result the MIG office withheld R 4, 7 million rand due to the municipality for apart persistent under expenditure.

However, in spite of the R 4, 7 million having been withheld, the municipality proceeded to install about 58 boreholes in the rural areas for the benefit of about 200 families, using its own internal scarce financial resources. What exacerbated the financial woes of the municipality further was that fact that there was a promise of some R 6 million from the water for all flagship fro the office of the then Premier. This promised allocation was to assist the municipality deal with the eradication of water backlogs particularly in the rural areas.

Again, this allocation never reached the municipality due to reasons not known to the municipality. Of course, the municipality experienced some financial challenges because upon hearing of the R 6 million promise, it the redirected its budget to other equally pressing service such as roads fencing of dumping sites and other services.

Therefore the following projects have been done with internal funds instead of MIG and other grants.

PROJECT NAME	BENEFICIARY	AMOUNT SPENT
1. Installation of boreholes in rural areas	1 and 2	R 2 000 000.00
2. Fencing of Belfast dumping site	1,2 and 3	R 200,000.00
3. Installation of service in Emgwenya	7	R 180,000.00
4. Installation of services in Sakhelwe	4	R 300,000.00
5. Paving of 1 km of road in Sakhelwe	4	R 500,000.00
6. Fencing of Dullstroom dumping side	4	R 200,000.00

7. Upgrading of Emthonjeni volley ball court	5 and 6	R 400,000.00
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KPA 2: LOCAL ECONOMIC DEVELOPMENT

In compliance with section 152(1) of the constitution of the Republic of South Africa, the municipality decided to prioritize Local Economic Development as issue number 14 of its Integrated Development Plan. The objectives of the IDP issue were encapsulated as follows:

- To make our area the most popular trade and investment destination.
- To ensure economic growth in all sector of the economy in order to curb unemployment and related negative issues.
- Creation of a safe environment in order to attract tourism development, improve the economy and thus create jobs.
- To ensure economic growth that is inclusive and contributing to overall human development.

Then the overarching strategy was to organize a summit that should address the challenges of the economy and development strategies to deal with them. As such a summit was then held on the 25th of June 2009.

The challenges that were noted in the main related to the economic meltdown of South Africa where even the strong agriculture sector was affected. It was further noted that even the big three economic players namely Glisa, Assmang and Nkomati mines were affected.

However, there were some positives that were recorded, namely that the local tourism businesses experienced some stability and growth. This was somehow attributed to the close proximity to Gauteng and that domestic tourist changes their holiday patterns, where they preferred taking shorter weekend breakaways instead of long distance holidays in order to cut costs.

Furthermore, some small and medium businesses recorded some growth. These include, the Belfast Spar, Belfast Shell Garage and other small businesses, most of whom did business with the municipality. This growth is in part attributed directly to the decision of the municipality to sell land to the developers of the new Spar, approving without delay, the

expansion plans by Shell Garage and also making a direct contribution to the small businesses by spending more than R 10 million of its expenditure budget on local small businesses.

Over and above the growth recorded by industry players, the municipality has also establish LED structures that will help facilitate economic growth and in this regard the following structures were put in place:

Emakhazeni Local Municipality has re-launched the LED Forum October 2008. The forum serves a consultative body on issues of LED. The objectives of the LED Forum is to amongst;

- Implement, monitor and review the Local Economic Development Strategy compiled by Emakhazeni Local Municipality.
- Monitor the progress of LED Projects being implemented.
- Provide, facilitate or arrange access to funding for proper execution and implementation of the LED projects.

The following Working groups were established to assist the LEDF in carrying out its mandate and objectives.

- SMME Development and Support
- Agricultural and Mining Beneficiaries
- Education and Specialized Training
- Tourism Development, support and Integration
- Big Business

During the month of June 2009 Local Economic Development Summit was convened by the municipality. The established working groups of the LED Forum are also responsible for implementation of the resolutions of the LED Summit.

KPA 3: FINANCIAL VIABILITY

The realization that the municipality has to be self sustainable has compelled the Council to come up with a revenue strategy. Key components of the strategy are :

- Data Cleansing
- Timeous and correct billing
- Writing off of irrecoverable debts
- Implementation of credit control and debt management policies and ,
- Setting monthly revenue collection targets fro the credit control officers.

The implementation of the revenue enhancement strategy has assisted the municipality to write off more than R 7 million worth of irrecoverable debts for the first time since 2001.

Secondly, although the municipality experienced cash flow challenges during the course of the financial year, because of prudent financial management systems the municipality did not fail to meet its financial obligations and as such avoided being subjected to administration by other sphere of government.

There are however, some challenges that the municipality must deal with order t transform its administrative capacity in order to deal with financial viability and service delivery challenges.

KPA 4: INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT

The municipality continued to compile, adopt and submit its workplace skills plans on time to the department of labour.

More focus was given to the development critical skills needed by the municipality. In this, the municipality decided to train its own building inspector, electricians, supervision and customer care.

Over and above that, other staff members trained were in the fields of supplier chain, middle management and senior management.

Honorable Councilors were also trained in Executive Leadership.

The municipality lost its Technical Services Manager in the beginning of the financial year and as such experienced a strain in the department. However, it continued with its operations.

Again, the Manager; Corporate Services Manager resigned half way through the financial year and her post is to be filled by September 2009. However, the department is still being run properly because there are capable managers who are able to run the department effectively and efficiently, complying with corporate governance prescripts.

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The municipality takes corporate governance seriously and in this regard has adopted risk based annual audit plan and three year rolling plan.

Furthermore, it is a management fundamental objective to ensure that credible financial statements are submitted to the Auditor General on time every year in compliance with the prescripts of the MFMA. As such management has adopted a project called "UKUBAPHAMBILI" meaning striving for excellence or the number one spot which guides daily financial management of the municipality.

In keeping with section 152(1) (e) of the Constitution the municipal makes it a norms to consult the public regularly on matters of governance. Highlights that can be noted in this regard include the following:

- Tabling of the 2007/08 annual report in January 2009 in which about 100 people were in attendance.
- Adoption of the second IDP revision in February 2009 where about 100 community representatives.
- Budget public participation meetings that took place between April and May 2009 in which all wards were consulted and there was consensus on the 6% tariff increase across the board.
- During November 2008 the municipality held an Indaba that focused on youth participation in elections. This event was able to attract about 200 young people from all the wards of Emakhazeni.
- The month of June 2009 was particularly set aside for youth outreach activities. It is in this month that youth debates on Christianity and politics were held, where grade 12 learners competed against each other.

CONCLUSION

Although the municipality does not have major revenue generating sectors but it is confident that it has put good systems in place which will ensure that it continues to be a going concern and it delivers excellent basic service to its public.

O.N. NKOSI

MUNICIPAL MANAGER

CHAPTER 2: PERFORMANCE HIGHLIGHTS

Backlogs in Service Delivery

2007/2008

2008/2009

Water Backlogs

Backlogs to be eliminated
(No of households not receiving Minimum Standard Services)

Spending on new Infrastructure to eliminate Backlogs

Spending on renewal of Existing Infrastructure to Eliminate Backlogs

Total Spending to Eliminate Backlogs

Spending on maintenance to ensure There are no new backlogs created.

Sanitation Backlogs

Backlogs to be eliminated (No of households not receiving Minimum Standard Services)

Spending on new Infrastructure to eliminate Backlogs

Spending on renewal of Existing Infrastructure to Eliminate Backlogs

Total Spending to Eliminate Backlogs

Spending on maintenance to ensure there are no new backlogs created.

Refuse Removal Backlogs

Backlogs to be eliminated (No of households not receiving Minimum Standard Services)

Spending on new Infrastructure to eliminate Backlogs

Spending on renewal of existing Infrastructure to Eliminate Backlogs

Total Spending to Eliminate Backlogs

Spending on maintenance to ensure There are no new backlogs created.

Required	Budget	Actual	Required	Budget	Actual
			510	218	108
			R 24.4 mil	R 7.3mil	R 6.6mil
			R 6.6mil	R 7.3mil	R 500 000
				R 7.3mil	R 7.1mil
			R 4.5mil	R 1.8mil	R 1.8mil
			895	R 3mil	R1.8mil
			R10.7mil	R 3mil	R 1.8mil
			R 1.5mil	R 500 000	R 380 000
			R12.2mil	R 3.5mil	R 2.1mil
			R 3.5mil	R 1mil	R 1mil
1400	0	0	1400	0	0
500 000	-	-	R 3.5mil	-	-
R 3.5mil	R 2mil	0	R 3.5mil	R309 028.23	R 273 562.95
R 4mil	-	-	R 4mil	-	-
R300 000	-	-	R 300 000	-	-

Electricity Backlogs (per month)

2008/2009

	Required	Budget	Actual
Backlogs to be eliminated (No of households not receiving Minimum Standard Services)	464	330	164
Spending on new Infrastructure to eliminate Backlogs	R 6.9mil	R 4.9mil	R 2.9mil
Spending on renewal of existing Infrastructure to Eliminate Backlogs		R 1.35mil	R 1.35mil
Total Spending to Eliminate Backlogs	R 6.9 mil	R 6.25mil	R 4.25mil
Spending on maintenance to ensure there are no newbacklogs created.	R 3 mil	R 2 279 470.00	R 2 279 470.00

Roads Backlogs

Backlogs to be eliminated (No of households not receiving Minimum Standard Services)	112km	6km	3km
Spending on new Infrastructure to eliminate Backlogs	R 336mil	R 18mil	R 9mil
Spending on renewal of Existing Infrastructure to Eliminate Backlogs		R 0	R 0
Total Spending to Eliminate Backlogs			
Spending on maintenance to ensure there are no new backlogs created.		R 18 mil	R 18 mil
		R 1 mil	R 1 mil

BACKLOGS

- 110 stands do not have water in Emgwenya.
- 295 stands in Emthonjeni(Enkanini) have water stand pipes which is not adequate for the whole community.
- 300 households in rural areas do not have water.
- 857 households in rural areas do not have sanitation facilities
- 3, 5 km of streets need to be upgraded.
- 1, 8 km of street in Sakhelwe need to be upgraded.
- Upgrading of waste water treatment works in Dullstroom.
- Upgrading of raw water treatment works in Waterval Boven.
- Upgrading 13, 5 km of gravel roads in Siyathuthuka.
- Upgrading of 9 km of tar and gravel roads in Belfast.

11. Upgrading of 5 km of roads from gravel to paving in Emthonjeni.
12. Upgrading of 4km of gravel road to paving in Emgwenya.
13. Construction of 380 houses in Emthonjeni.
14. Construction of 265 houses in Sakhelwe.
15. 1400 households in rural areas do not have access to refuse removal services.

PROJECT PROGRESS REPORT 2008/2009

PROJECT NAME	LOCATION	BUDGET	MILESTONE	PROGRESS	BENEFICIARIES	WARD
Upgrading of Dullstroom water treatment plant	Dullstroom	R2,5 million	30%	Contractor is within programme	Dullstroom and Sakhelwe Community	4
Phasing out of Sewer Treatment Plant in Machadodorp	Machadodorp	R4,7 million	70%	Contractor behind schedule	Machadodorp	6&7
Bus road Ext.3	Siyathuthuka	R2 million	90%	Contractor is on schedule	Siyathuthuka	1&3
Purchase of a Bulldozer	Belfast	R2 million	100%	Bulldozer delivered	Emakhazeni Community	All wards
Water Link-Kraaispruit Dam to Belfast WTP Phase 4	Belfast	R3,2 million	98%	Completed with snags	Siyathuthuka and Belfast Community	2&3
Upgrading of Belfast/Siyathuthuka rising main	Belfast	R2 million	90%	Contractor behind schedule	Belfast and Siyathuthuka Community	1&3
Electrification of 35 houses in Siyathuthuka	Siyathuthuka	R117 000	100%	Completed	Entokozweni community	1
Replacement of sewer line Ext 3 Siyathuthuka	Siyathuthuka	R110 000	100%	Completed	Entokozweni Community	1
Completion of 68 houses Siyathuthuka Ext.3	Siyathuthuka	R2,5 million	50%	Contractor behind schedule	Entokozweni community	1

PROJECT PROGRESS REPORT FOR COMMUNITY SERVICES 08/09 FINANCIAL YEAR

AREA	PROJECT NAME	BUDGET	AMOUNT SPENT	PROGRESS	COTRACTOR/CONSULTANT	WARD NO.	FUNDER
Emakhazeni	Provision of security	R2,2 million	R2,2 million	Ongoing	Mshika	ELM	ELM
Emakhazeni	Development of Environmental Management Framework	R939 383	R939 383	100% completed	SEF	ELM	DEAT
Emgwenya/ Emthonjeni	Purchasing of Tractor	R210 000	R210 000	100% completed	F&R Diesel	05,06 & 07	ELM
Belfast	Fencing of landfill site	R309 028.23	R273 562.95	100%	V&E Project	1,2 &3	MIG

				completed			
Belfast	Renovations to licensing office (BPM)	R120 000	R75 908.26	100% completed	Mjaro	ELM	ELM
Emthonjeni	Construction of Volleyball court	R342 000	R306 697.05	100% completed	Mgugwana Investments	05	MIG
Emakhazeni	Purchase of Bulldozer	R 2 million	R 2million	100% completed	Bell equipments Middelburg	ELM	NDM

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT WATER SERVICES

SPECIAL PROJECTS INTRODUCED TO INCREASE ACCESS TO WATER SERVICES DURING 2008/2009

UPGRADING OF DULLSTROOM WATER TREATMENT PLANT

It was imperative that the water treatment plant in Dullstroom is upgraded during this financial year in order to meet SANS 241 standard. The extent of main works entailed the following:

- Improving the current water abstraction system to a variable level abstraction system.
- Repair and or replace certain pumps and motors.
- Revamp sand filter system.
- Re-Commission the chlorine dosing system
- Repairing and cleaning the existing clarifiers, dosing tanks, clear water sumps and the reservoirs.
- Revamp the whole instrumentation for the water supply system
- Electrical cabling and installation of one power feed control unit for the whole water treatment plant

MITIGATION

- Consideration is now being given to backwashing of the water when turbidity reaches 0.75 NTU. This will ensure that water leaving the plant falls within the 75% quartile of the SANS 241 requirements.
- It be noted that when the water level in the filters reaches approximately 100mm above the overflow weir then breakthrough of suspended solids through the filter media occurs. This is due to the sand media being coarser than what was originally installed and the water pressure above the media being sufficient to force the suspended solids through the media.

UPGRADING OF BELFAST/SIYATHUTHUKA RISING MAIN

Emakhazeni Local Municipality secured a budget of R2 million to supply enough water to the communities of both towns. The rising main will increase water flow per seconds in order to have the reservoirs timeously full in aftermath of breakdowns.

The Rising Main stretches from the Belfast Water Treatment Plant to the reservoirs.

WATER LINK-KRAAISPRUIT DAM TO BELFAST WATER TREATMENT PLANT PHASE 4

The Municipality owns a dam in Belfast which supply drinking water to both Siyathuthuka, Belfast and surrounding communities. This Dam does not have constantly flowing catchments, except for the storm water channels and some wetlands that helps to keep the Dam at 60% to 90% during the rainy season.

There are times when the level of the Dam will go down to an unacceptable level in times of drought. This has prompted the Municipality to set aside a sum of R3, 2 million in consultation with the District Municipality to lay a pipeline from the Kraaispruit Dam to the Water Treatment Plant. This move will augment the storage capacity and make sure that during drought periods there is always water supply in the area.

DRILLING AND INSTALLATION OF BOREHOLES, HANDPUMPS AND OR WINDMILLS:

Through MIG funding of R3, 5 million, the Municipality was able to implement the project to address the water backlog on farms in favour of the farm community.

There were 58 boreholes drilled which process improved the lives of more than 232 people.

ELECTRICITY

Special projects introduced in the provision of electricity during the 2008/2009 financial year.

ELECTRIFICATION OF 35 HOUSES IN SIYATHUTHUKA OPPORTUNITIES

Emakhazeni Local Municipality has created good relationships with Big Business, thereby creating an environment wherein, the local mining corporation assisted with a sum of R117 000 to electrify the said houses.

The projects have also improved the lives of the families staying in Ext 3 Siyathuthuka.

CHALLENGES

Emakhazeni Local Municipality experienced cable theft around Belfast and Machadodorp, during this financial year. The Municipality lost almost R140 000 as a result of the theft.

ROADS

SPECIAL PROJECTS INTRODUCED IN THE PROVISION OF ROADS SERVICES DURING 2008/2009 FINANCIAL YEAR

The roads in the newly established townships within Emakhazeni are not in good conditions, hence the upgrading of the bus route in Siyathuthuka at a cost of R2, 8 million for putting tar and construction of storm water catch pits. The same happened in Sakhelwe and Emthonjeni where the new roads were paved at R1 million and R1, 2 million respectively. Due to small budget allocation for each year it is difficult to deal with the backlog.

HOUSING

SPECIAL PROJECTS INTRODUCED FOR HOUSING DELIVERY DURING 2008/2009 FINANCIAL YEAR.

HOUSING IN SIYATHUTHUKA

It be noted that the Developer that was appointed by the Department of Human Settlement, however the remaining 171 houses could not be completed. The Municipality was appointed as developer to complete the remaining houses.

To date only 131 houses were delivered. It is expected that the remaining 40 houses will be completed by the end of June 2010.

HOUSING IN EMTHONJENI

The remaining 380 houses will be built in phase wherein the first 125 houses must be completed by the end of March 2010. This means that the remaining 255 houses must be completed by the end of June 2011.

HOUSING SAKHELWE

A contractor was appointed in Sakhelwe to deliver housing. The contractor is assigned to build 65 houses of which only 42 have been completed.

HOUSING IN EMGWENYA

There is a backlog of more than 320 houses in Emgwenya due to shortage of suitable land for housing delivery. Attempts are being made by the Municipality to obtain an alternative land for housing.

URBAN EFFICIENCY

Urban Efficiency and Spatial Planning special projects introduced to spatial planning of the Municipality during 2008/2009 financial year.

Emakhazeni Local Municipality has began a process of making sure that in 10 to 20 years to come, planning for the expansion of the urban edge as well as integrated development is prioritized to eliminate urban sprawl.

It is against this background that pieces of land were identified in Belfast, Wonderfontein, Machadodorp and Waterval Boven so that a forward planning process is commenced with. Two of the parcels of land have already been bought and transferred into Municipal name.

- Number of households electrified – 65
- Number of households provided with water – 77
- Number of new houses built during the year - 77

Residential	89
Residential additions	40
Commercial	23
Industrial	3
Other (specify)	43
Farm Development	8

SPECIAL PROJECTS IN THE PROVISION OF COMMUNITY SERVICES DURING 2008/09 FINANCIAL YEAR

ENVIRONMENTAL HEALTH SECTION (INCLUSIVE OF SOLID WASTE MANAGEMENT)

ENVIRONMENTAL AWARENESS IN EMAKHAZENI

World Wetlands Day Celebration in Machadodorp

The municipality, together with the Department of Economic Development, Environment and Tourism previously known as DALA, hosted the District World Wetlands Day celebration at Pholani Park in Machadodorp on the 06 February 2009.

The event was aimed at the community and the youth at large to get involved with environmental issues in particular caring for our precious wetlands.

The Honorable Executive Mayor of Emakhazeni, Clr. L. Mohlala gave the keynote address on the importance of the wetlands and urged the learners to preserve and care for the environment.

The event was enjoyed by the participants with the enthusiasm shown from our local Honorable councilors present on the day, with special emphasis on our programme director of the day, Honourable Clr. N.A. Mashele who got the learners to interact with the programme and provided a good dose of entertainment at the same time.



The Hon. Executive Mayor, Clr. Mohlala, Clr. Mashele & Clr. Mahlangu with some participants present at a symbolic tree planting ceremony at the Wetlands Day event.

Cleaning Campaign, Trees and Bin Distribution in Siyathuthuka

The environmental health section of the municipality is tasked to conduct a minimum of 4 cleaning campaigns throughout the financial year in promotion of environmental cleanliness.

The campaign scheduled for Siyathuthuka was held on the 11 March 2009 and included the Department of Economic Development Environment and Tourism (previously known as DALA) as they wanted to also use the opportunity to distribute trees as part of the Greening flagship project which is their mandate.

The municipality had also identified that most of the illegal dumping taking place can be linked to the fact that many households do not have proper refuse containers. F&R Diesel (Belfast Toyota) was approached by the environmental section to assist with supplying their old oil drums to be converted into refuse bins. A total of sixty drums were donated to date from Belfast Toyota.

The opportunity to select the beneficiaries of the "dust bins" that were sponsored by Belfast Toyota was done by using a very open and fair procedure. The stand numbers that were identified by the refuse team as having no proper refuse containers were put into the drum and the honorable councilor present, Honourable Clr. C. Motau, was requested to do the honour of picking. As she picked, Mr. S. Mabanga read out the stand number and this was recorded by Mrs. N. Singh. It should be noted that 10 Indigents also formed part of the identified list and it was agreed that 10 bins be reserved for them.

"DALA" together with Food and Trees for Africa brought along a total of 1000 trees to be distributed at the event. Approximately 800 trees were distributed by the end of the day. The remaining trees were shared between Dullstroom and Wonderfontein.

In general, the response was commendable from the community which made the event a success as the main aim was the selection of the stands to start with the bin distribution and also to encourage greening in our communities. To date all sixty bins have been delivered to the beneficiaries.



Community members collecting trees



Hon. Clr. C. Motau with some of the "Bin" beneficiaries



Some participants during the cleaning campaign

Debates on "World War 3 over Water"

The Machadodorp Environmental Club, Assmang Chrome and Emakhazeni Local municipality hosted a debates day entitled "WORLD WAR 3 OVER WATER" on the 22 May 2009 at Bella Vista Country Club.

The schools that participated were Dumizizweni Primary School, Ebdulweni Priamry School and Chezon Tekna Private School. Three grade 7 learners per school participated in the debates.

All participants received certificates of participation and specially designed pencil cases sponsored by Emakhazeni Local Municipality. The overall school winner was Dumizizweni Primary School and received a cash prize of one thousand rands donated by Assmang Chrome. Trophies and books were awarded to the first three winners. The overall learner winner, Ms. Surprise Sindane was awarded a floating trophy as well. The books were sponsored by Assmang Chrome and the trophies were sponsored by Total Waste.

The aim of the initiative was to get the leaners to critically analyse the importance of water in so far as that it is a commodoity that can even result in people fighting over. Therefore, the need to protect and preseve this wonderful natural resource and not to waste it.



Typical example of precious clean water being wasted



Some of the judges with the overall winner, Ms. S. Sindane

Bio-Diversity Awareness Programme in Emgwenya

On the 22 May 2009 another initiative with the municipality and Department of Economic Development, Environment and Tourism was held at Emgwenya. A clean-up campaign was followed by a bio-diversity awareness programme at the Paul Nkosi Community Hall.

The event was supported with wisdom and enthusiasm from the Honourable Executive Mayor, Clr. L. Mohlala on the issue of bio-diversity. The event was aimed at raising awareness in the community with regards to the role of bio-diversity and the importance of keeping the environment clean.

Reference was also made to the Environmental Management Framework (EMF) project which is near completion in the municipality and which will be launched later this year. The EMF is an environmental management tool that will assist the municipality in advising development proposals around critical and sensitive environments.



Hon. Executive Mayor: Clr. L. Mohlala addressing the participants at the Bio-diversity programme

Emakhazeni Local Municipality together with Sappi and Total Waste Recycling initiative

The municipality has been faced with the challenge of pollution of sidewalks with cardboard boxes especially around the central business areas in Belfast.

Seeing that cardboard boxes are a recyclable commodity, the Community Services Department then decided that something constructive could be done that could help lessen the problem that was being experienced.

Environmental Practitioners engaged with some of the community members collecting on the landfill sites. It was found that Total Waste has been collecting from the landfill site. On investigating further it was realized that Total Waste was actually an implementing agent of SAPPI. SAPPI therefore, agreed to sponsor recycling trolleys to do collection at source in the CBD of Belfast and to actually use the current people to continue.

Some offices in the Community Services Department had already started to move towards collecting useless paper with the intention to have the initiative formalised. This was due to the fact, that as an institution we also generate large volumes of paper that is also a recyclable commodity.

The environmental section then also used the opportunity to engage SAPPI to sponsor "WOW" bins so that internal recycling could also be formalised at the Municipality offices.

The ultimate aim of the recycling initiatives is to have all the units within Emakhazeni contributing towards recycling on a better coordinated approach and this will assist to keep the environment clean and minimize waste ending up on the landfill sites.



Recycling trolleys used for collection in the Belfast CBD



"WOW bins used within the municipal offices for paper recycling

Arbor & Greening

Arbor Theme for 2008 - "PLANT TREES: SAVE OUR PLANET"

The municipality, in particular the Primary & Environmental Health section was involved in various Arbor and Greening initiatives during the month of September 2008.

The first Arbor Day in South Africa was celebrated in 1972. This event created recognition for the need to raise awareness of the value that trees play in our society.

The enthusiasm around the issue inspired the national government, in 1999, to extend the celebration of Arbor Day to National Arbor Week. Arbor Week is thus celebrated annually during the first week of (1-7) September.

It is during this time that schools, businesses, organisations and individuals at large are encouraged to participate in "greening" projects to improve the health and beauty of the local environment.

This year Emakhazeni Local Municipality was identified to host the Nkangala District Arbor Week event. Therefore, the Department of Water Affairs and Forestry in collaboration with Emakhazeni Local Municipality and the Department of Agriculture & Land Administration hosted the Nkangala District Arbor Week Event on the 03 September 2008 at Môreli Combined School in Wonderfontein.

The event was a huge success with the participation of our local politicians playing a key role on the programme. Our gratitude and appreciation goes out to all stakeholders that worked together in ensuring the success of the event.



Hon. Clr. A.M. Mbethe (Acting. Exec. Mayor for the day) during the tree planting ceremony held at Môreli Combined School in Wonderfontein on the 03 September 2008.

Apart from hosting the Nkangala district arbor week event, the municipality was also engaged in other greening initiatives during September 2008.

One of the initiatives was the participation at the greening event at the official launch of the Machadodorp Environmental Club together with Department of Agriculture and Land Administration and Dumizizweni Primary School which was held at the school on the 16 September 2008. It be noted that three (03) of the grade seven (07) learners are members of the Machadodorp Environmental Club.



Learners of Dumizizweni Primary at the Official launch of the Machadodorp Environmental Club

The other is the distribution of trees which is linked to the greening Mpumalanga project, being one of the Big 5 Provincial flagship projects. A total of 2500 trees were received from the Department of Agriculture and Land Administration during the month of September 2008.



Distribution of trees from PAUL NKOSI Community hall in EMGWENYA on the 17 September 2008

CAPITAL PROJECTS

In the commitment to improving the standard of living in an environment that is safe and healthy to the residents of Emakhazeni, the municipality has started to prioritize certain environmental projects and allocation of resources.

FENCING OF BELFAST LANDFILL SITE

The fencing of the landfill site at Belfast was completed in March 2009. The contractor appointed was V&E Projects situated in Emakhazeni from Siyathuthuka in particular, at an amount of R 273 562.95.



Fencing of old Belfast Landfill site

PROCUREMENT OF EQUIPMENT

Delivery of Bulldozer from the district municipality

The Nkangala district municipality (NDM) purchased a BELL Bulldozer for Emakhazeni to assist with waste management on the landfill site. The bulldozer was received towards the latter part of 2008.



New Bulldozer (08/09)

Purchase of Tractor (Landini R7860 – 55KW)

A new tractor was procured in December 2008 for the use between Machadodorp and Waterval Boven for the cleaning of illegal dumps. It has also assisted in times when the compactor of Machadodorp has been in for repairs so that service delivery continues.



New tractor procured in December 2008

ENVIRONMENTAL MANAGEMENT FRAMEWORK (EMF)

The compilation of the Emakhazeni Environmental Management Framework was concluded within the 2008/09 financial year by the consultants Strategic Environmental Focus and the official launch planned for August 2009.

PUBLIC SAFETY SECTION

DISASTER AWARENESS CAMPAIGN IN SAKHELWE

Emakhazeni Local Municipality joined hands with the Provincial Department Disaster management unit, Nkangala District municipality and the Working on Fire group in order to bring awareness to the community in terms of responses to disasters; emphasis was particularly around the issues of fire.

The event was held on the 13 February 2009 at Sakhelwe. The Ward councilor honourable Clr. I. Soko opened and welcomed all present. Demonstrations were conducted by the Nkangala district municipality as well as the Emakhazeni Municipality personnel on how to extinguish a fire. The Working on Fire group demonstrated the appropriate discipline that is required from professional fire fighters.



Working on Fire group performing a drill routine



Hon. Clr. I. Soko with some of the participants at the event



ELM & Nkanagla District officials demonstrating fire fighting techniques

RENOVATIONS TO LICENSING OFFICE

In order for compliance to licensing requirements for the introduction of the Best Practice Model, the municipality budgeted for renovations to be under-taken at the licensing offices at Belfast. The contractor appointed was Mjaro for an amount of R 75 908.26.

SOCIAL DEVELOPMENT & AMENITIES SECTION

CONSTRUCTION OF VOLLEYBALL COURT AT EMTHONJENI

Most young people have been denied access to sports and recreation because of lack of facilities for sporting codes like tennis and volleyball.

The standard of existing facilities is of poor quality because of insufficient funds that were devoted towards the construction of these facilities.

To try and address underdevelopment in sports infrastructure, the municipality within the 2008/09 financial year budgeted R 342 000.00 for the construction of the above-mentioned facility at the Emthonjeni stadium. The project was completed on the 13 March 2009.



Volleyball court at Emthonjeni under construction

ORGANIZATIONAL STRUCTURE

The overall organizational structure of the municipality consist of five (5) Departments, as per the organizational structure approved by Council on 28 October 2004 through the Municipality's Strategic Workshop held on 23 – 25 October 2005 in preparation for implementation during the 2005/2006 financial year. The organogram was further reviewed in March 2006, further ratified by council in March 2007 for implementation in 2007/2008 and again reviewed and approved on 26 March 2009. The Key departments are as follows:

- Office of the Municipal Manager
- Financial Services Department
- Corporate Services Department
- Technical Services Department
- Community Services Department

OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager is responsible for Local Economic Development, compilation and implementation of the Integrated Development Plan (IDP), Youth Development and Internal control through the Internal Audit section. The above sections consist of the Deputy Manager: IDP and LED, Youth Manager, Internal Auditor and Internal Audit Intern who are tasked to carry out the duties attached to the above functions.

The office is also central to the facilitation of public participation programmes. To that end the budget and IDP meetings were organized and managed by the office. This section consists of a Public Participation Co-Ordinator. The Office of the Municipal Manager was able to establish a Local Economic Development Forum as well as LED Working groups and as a result, the following LED projects were resuscitated and established by the municipality;

- Josias Mathebula and vegetable garden in Waterval Boven.

- Ekujabuleni bakery and Mathuba farm in Emthonjeni.
- Sizanani vegetable garden in Belfast.
- Siyathuthuka Coal Yard project.
- Phezukomkhono Brick making plant in Siyathuthuka.
- Establishment of brick making plant in Emthonjeni is in progress.
- Resuscitation of Vos Mazibuko Bakery in Emgwenya.

All IDP community consultation meetings were held in all wards between November 2008 and January 2009 respectively. The IDP was adopted by Council in January 2009 as a draft and advertised for 21 days inviting public comments. Budget community consultation meetings were also held during the 2008/2009 financial year.

The municipality further made provision in the budget for the appointment of a Youth Manager to deal with youth development and other related matters. A Youth Outreach meeting was held in October 2008 under the theme "Youth and democracy dialogue". The municipality also received a SALGA Excellence Awards in youth development in 2009.

The Internal Audit section is able to ensure that internal controls are adhered to by all Departments. The Internal Audit section was able to compile the Internal Audit Charter, Internal Audit Methodology and a Risk Based Audit Plan.

The Office of the Municipal Manager also seconded staff to the offices of the Executive Mayor, Speaker and MMC's and other Councillors to assist with community matters which amongst other things include Big Business meetings, HIV/AIDS, Ward Committees and Public Participation. Ward Committee members are transported to all Council meetings. A Manager in the Office of the Executive Mayor was appointed to deal with matters relating to HIV/AIDS, to assist the Executive Mayor with budget speeches and also to organize events or functions in the Office of the Executive Mayor.

FINANCIAL SERVICES DEPARTMENT

The Financial Services Department is responsible for Income, Expenditure, Budget and Supply Chain Management. The Deputy Manager Supply Chain is responsible for the supply chain management of the municipality and to also advice in terms of compliance with the MFMA.

The Deputy Manager Budget is responsible for budget control in the municipality, assisted by a Senior Accountant who deals with Bookkeeping.

During the 2008/2009 financial year, the municipality managed to fill the positions of Deputy Manager: Income and Deputy Manager Expenditure.

The Deputy Manager: Income was appointed to deal with revenue collection of the municipality. This section consist of 6 Senior Clerks, 6 Cashiers and 6 Meter Readers who are appointed in each of the units of Emakhazeni. The Meter Readers are responsible for checking readings of water meters and submit the information to the Senior Clerks for billing purposes. This section also appointed a Senior Clerk: Debtors/Credit Control who is duly assisted by Credit Control Clerks to collect revenue owed by debtors to the municipality.

TECHNICAL SERVICES DEPARTMENT

The Technical Services Department is responsible for Water, Sanitation, Electricity, Roads, Housing, Forestry, Property Administration, Building Inspection and General Public Works. The roads section is responsible for the maintenance of roads around the Emakhazeni area.

Deputy Manager Civil Engineering was appointed to deal Engineering services e.g. electricity, water and sanitation around Emakhazeni. On matters relating to electricity, the Deputy Manager is assisted by the Supervisors, Senior Electrician, Electrical Technician and Electricians. This section also consists of 5 Assistant Foreman responsible for the Water and Sanitation. Some of the mechanical services are carried out internally by 2 Assistant Mechanics.

A Building Inspector and Assistant Building Inspector were appointed to deal with the inspections of RDP houses and new buildings and also the servitudes. The Housing Administrator is responsible

for the collating of information around the housing backlog and assist with the compilation of housing list.

COMMUNITY SERVICES DEPARTMENT

The Community Services Department consists of the Public Safety, Primary Health and Environmental Health and the Social Development sections.

The Primary and Environmental Health section is headed by the Deputy Manager Primary and Environmental Health. Through the initiatives developed by this section, Emakhazeni holds cleaning campaigns in each of its four administrative units. The cleaning campaigns included Councillors and the officials of the municipality to ensure the cleanliness of its town and in the process promoting good relations between Administration, political office bearers and its community. This section is also has a total number of 56 personnel responsible for refuse collection in all the four towns of Emakhazeni Local Municipality.

In order to ensure that its community members and those who are travelling through Emakhazeni are safe, the public safety section is responsible for ensuring that law enforcement measures are taken to minimize the rate of accidents through and around Emakhazeni. This section is also responsible for disaster management around the area and its neighboring farms.

Through the Social Development section, a number of streets were named around Emakhazeni during the financial year in question, and also a number of sporting activities or events which also involved the youth of Emakhazeni were undertaken with the Department of Culture, Sports and Recreation.

CORPORATE SERVICES DEPARTMENT

Corporate Services Department is responsible for ensuring that all departments in the municipality receive effective support services through proper administration. This department has a Deputy Manager HR & Administration and Deputy Manager Legal Services and Labour Relations. The Deputy Manager HR and Administration is responsible for ensuring that the municipality has enough human resources to support its line functions and also support Council in terms administrative duties. The Deputy Manager is assisted by the Senior Administration Officer: Administration and Logistics and an Administration Clerk who are responsible for the compilation of Agendas for Council and Council Committees and a Driver who delivers the Agendas to Councillors after completion.

The Senior Administration Officer: HR deals with personnel matters relating to leave, claims for benefits, pension fund and advertising of vacancies.

The Deputy Manager Legal Services and Labour Relations , is amongst other things responsible for ensuring sound relations between the employer and employees through labour relations mechanism and to also deal with legal matters in Emakhazeni. The Deputy Manager is assisted by the Administration Clerk: Labour Relations who deals with matters of occupational health and safety in the institution.

DRAFT

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE EMAKHAZENI LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Emakhazeni Local Municipality which comprise the balance sheet as at 30 June 2009, and the income statement, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages [xx] to [xx].

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the entity-specific basis of accounting, as set out in note 1 to the financial statements and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion the financial statements of the Emakhazeni Local Municipality as at 30 June 2009 have been prepared, in all material respects, in accordance with the basis of accounting as set out in note 1 to the financial statements and in the manner required by the MFMA. .

Emphasis of matter

Without qualifying my opinion, I draw attention to the following matter:

Fruitless and wasteful expenditure

8. As disclosed in note 26 to the financial statements, fruitless and wasteful expenditure to the amount of R226 749 was incurred due to payments made in respect of court orders received by the municipality.

Other matters

Without qualifying my opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Municipal Finance Management Act

9. The accounting officer did not report in writing to the relevant treasury, particulars of discovered fruitless and wasteful expenditure, as required by section 32(4) of the MFMA:.

Governance framework

10. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

10. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	Y	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		N

No.	Matter	Y	N
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.		N
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines (section 126 of the MFMA).	Y	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	Y	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	The municipality had an audit committee in operation throughout the financial year.	Y	
	The audit committee operates in accordance with approved, written terms of reference.	Y	
	The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.		N
7.	Internal audit		
	The municipality had an internal audit function in operation throughout the financial year.	Y	
	The internal audit function operates in terms of an approved internal audit plan.		N
	The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.		N
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		N
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	Y	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	Y	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(1)(c)(i) of the MFMA.		N
12.	Delegations of responsibility are in place, as set out in section 79 of the MFMA.	Y	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	Y	
14.	SCOPA resolutions have been substantially implemented.	N/A	

Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	Y	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	Y	
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the municipality against its mandate, predetermined objectives, outputs, indicators and targets in terms of section 68 of the MFMA.	Y	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	Y	

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

11. I have reviewed the performance information as set out on pages X to X.

The accounting officer's responsibility for the performance information

12. In terms of section 121(3)(c) of the MFMA, the annual report of the municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

The Auditor-General's responsibility

13. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.
14. In terms of the foregoing my engagement included performing procedures of an audit review nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
15. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

Findings on performance information

Non-compliance with regulatory requirements

Existence and functioning of a performance audit committee

16. The audit committee did not review the quarterly reports of the internal auditors on their audits of the performance measurements of the municipality, as required by section 14(4)(a)(i) of the Local Government: Municipal Planning and Performance Management Regulations, 2001.

Internal auditing of performance measurements

17. The Emakhazeni Local Municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, as required in terms of section 45 of the MSA.

APPRECIATION

18. The assistance rendered by the staff of the Emakhazeni Local Municipality during the audit is sincerely appreciated.

Auditor - General
Nelspruit

22 January 2010



Auditing to build public confidence

EMAKHAZENI LOCAL MUNICIPALITY

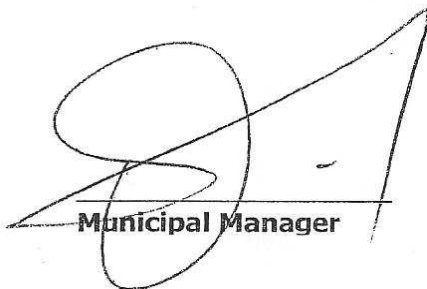
FINANCIAL STATEMENTS

30 JUNE 2009



I am responsible for the preparation of these financial statements, which are set out on pages 1 to 26, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. These financial statements have not been audited

I certify that the salaries, allowances and benefits of Councilors as disclosed in note 12 & 13 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Revenue of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with the Act.


Municipal Manager

31/08/09.
Date

GENERAL INFORMATION

MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE

Ms. L. Mohlala:	Chairperson Finance Portfolio
Mr. A.M. Mbethe:	Chairperson Technical Services
Ms. C. Motau:	Chairperson Corporate Services

GRADING OF LOCAL AUTHORITY

Grade	2
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AUDITORS

Auditor-General	Nelspruit Office
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BANKERS

First National bank
620 281 95510
Belfast, 1100

REGISTERED OFFICE

25 Scheepers Street Belfast, 1100	PO Box 17 Belfast, 1100 (013) 253 1121
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MUNICIPAL MANAGER

O.N Nkosi

CHIEF FINANCIAL OFFICER

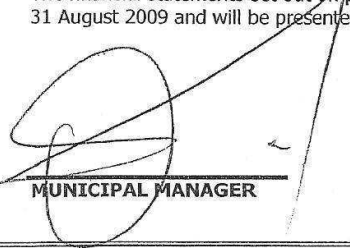
B.L Mahlangu

COUNCIL MEMBERS

<u>Councillor</u>	<u>Ward</u>	<u>Designation</u>	
Ms. L. Mohlala	1	Executive Mayor	PR Member
Mr. X.S Ngwenya	6	Speaker	Ward Member
Mr. L.S. Meyer	1	Member	PR Member
Mr. F.G. Sibanyoni	1	Member	Ward Member
Ms. A.A. Botha	7	Member	PR Member
Ms. N.A. Mashele	5	Member	Ward Member
Mr. J.M. Mabila	2	Member	Ward Member
Ms. E.S. Radebe	3	Member	Ward Member
Ms. T.I. Soko	4	Member	Ward Member
Mr. M.U. Hadebe	4	Member	PR Member
Mr. T.E. Mahlangu	6	Member	PR Member
Mr. A.M. Mbethe	7	Member of Mayoral Committee	Ward Member
Ms. C. Motau	2	Member of Mayoral Committee	PR Member

APPROVAL OF FINANCIAL STATEMENTS

The financial statements set out on pages 13 to 26 were received by the Municipal Manager on 31 August 2009 and will be presented to and approved by the Council.


MUNICIPAL MANAGER

REPORT OF THE EXECUTIVE MAYOR

FOREWORD: 2008/2009

FINANCIAL STATEMENTS

The Emakhazeni Local Municipality approved an annual budget which was tabled by the Executive Mayor at a Council meeting of the 26 June 2008. The 2008/2009 annual budget went through all the stages of consultation and thus was adopted by Council. The annual financial statements we are submitting are an indication of the rate at which the Municipal Council through its administrative wing, has implemented the budget of the people.

It is important to further indicate that the annual budget referred to above derive from the Integrated Development planning priorities. Local communities prioritized all activities that were to be budgeted for and further, assisted the Municipal Council in ensuring that there are resources to back the implementation of the activities. Due to the seriousness of revenue enhancement mechanism and the vision of the Municipality that all community structures should understand the budget, budget consultation was taken as far down to the grass roots. High school learners doing Economic Management Sciences were consulted. Their understanding, we felt, would assist in the older members of the community's understanding of the budget processes. A 6% increase of tariffs was welcomed by all.

The IDP priorities then formed the basis of our budget. All the 26 issues prioritized by our Local Community determined in which areas money was to be spent. It must be noted that key to the budget spending is the 2004 elections manifesto popular mandate, that made a call to all political leaders to concentrate mostly on service delivery and participatory democracy.

Further, the realization of the Millennium Development Goals targets of halving poverty by 2014 and of ensuring that our communities have access to portable water by 2008